
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of report (date of earliest event reported): February 27, 2019 (February 26, 2019)

WHEELER REAL ESTATE INVESTMENT TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

001-35713
(Commission
File Number)

45-2681082
(IRS Employer
Identification No.)

**2529 Virginia Beach Blvd., Suite 200
Virginia Beach, VA 23452**

Registrant's telephone number, including area code: (757) 627-9088

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On February 26, 2019, Wheeler Real Estate Investment Trust, Inc. (the “Company”), issued a press release announcing its financial results for the three months and year ended December 31, 2018. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference. A copy of the Company's Supplemental Operating and Financial Data for the three months and year ended December 31, 2018 is attached as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

- (a) Financial statement of businesses acquired.

Not applicable.

- (b) Pro forma financial information.

Not applicable.

- (c) Shell company transactions.

Not Applicable.

- (d) Exhibits.

[99.1](#) [Press release, dated February 26, 2019, announcing the Company's financial results for the three months and year ended December 31, 2018.](#)

[99.2](#) [Supplemental Operating and Financial Data for the three months and year ended December 31, 2018.](#)

EXHIBIT INDEX

Number

Description of Exhibit

<u>99.1</u>	<u>Press release, dated February 26, 2019, announcing the Company's financial results for the three months and year ended December 31, 2018.</u>
<u>99.2</u>	<u>Supplemental Operating and Financial Data for the three months and year ended December 31, 2018.</u>



FOR IMMEDIATE RELEASE

WHEELER REAL ESTATE INVESTMENT TRUST, INC. ANNOUNCES 2018 FOURTH QUARTER AND YEAR-END FINANCIAL RESULTS

Virginia Beach, VA – February 26, 2019 – Wheeler Real Estate Investment Trust, Inc. (NASDAQ:WHLR) (“WHLR” or the “Company”) today reported operating and financial results for the three and twelve months ending December 31, 2018.

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2018	2017	2018	2017
Net loss per common share	\$ (1.66)	\$ (1.22)	\$ (3.17)	\$ (2.54)
FFO per common share and common unit	(0.05)	(0.56)	0.42	0.19
AFFO per common share and common unit	0.15	0.18	0.73	1.31

2018 FOURTH QUARTER HIGHLIGHTS

(all comparisons to the same prior year period unless otherwise noted)

- Paid down the Revere Term Loan with proceeds from the sale of the Monarch Bank Building for a contract price of \$1.8 million, resulting in a gain of \$151 thousand and proceeds of \$299 thousand.
- Extended the Bulldog Investors Senior Convertible Notes to June 2019 with monthly principal and interest payments of \$234 thousand.
- Extended the First National Bank and Lumber River loans for a total of \$4.5 million in indebtedness, and extended the debt maturities to 2020.
- Paid \$575 thousand on the Revere Term Loan from proceeds generated through the Riversedge North refinancing of \$1.8 million, which extended the debt maturity to 2023.
- Recognized impairment charges of \$5.5 million on goodwill, \$3.9 million on land held for sale and \$1.7 million on the Sea Turtle notes receivable.
- On December 20, 2018 the company suspended fourth quarter dividends on shares of its Series A Preferred Stock, Series B Convertible Preferred Stock and Series D Cumulative Convertible Preferred Stock, totaling approximately \$3.0 million.
- Net loss attributable to WHLR's common stock, \$0.01 par value per share ("Common Stock") shareholders of \$15.8 million, or (\$1.66) per share.
- Total revenue from continuing operations increased by 12.39% or \$1.8 million.
- Property Net Operating Income ("NOI") from continuing operations increased by 11.97% to approximately \$11.2 million.
- Adjusted Funds from Operations ("AFFO") of \$0.15 per share of the Company's Common Stock and common unit ("Common Unit") in our operating partnership, Wheeler REIT, L.P.

2018 YEAR-TO-DATE HIGHLIGHTS

- Backfilled 3 former Southeastern Grocers locations, which we recaptured in its bankruptcy proceeding, with two Low Country Grocers (Piggly Wiggly's) at Ladson Crossing and South Park with rents that commenced in the third quarter 2018 and a third Piggly Wiggly at St. Matthews with rents commencing in the first quarter of 2019.
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- Received approval on all Southeastern Grocers lease modifications by the bankruptcy court, representing 543 thousand square feet.
- Executed a lease termination fee of \$980 thousand with Farm Fresh at Berkley Shopping Center.
- Reduced the KeyBank Credit Line to \$52.1 million from \$68.0 million at December 31, 2017.
- Reduced the Revere Term Loan to \$1.1 million from \$6.8 million at December 31, 2017.
- Sold 4 properties for a total of \$11.6 million, resulting in a gain of \$3.4 million and net proceeds of \$6.3 million which were used to deleverage the balance sheet.
- Recorded a lease termination expense of \$250 thousand to allow a space to be available for a high credit grocery store tenant at JANAF.
- Net loss attributable to Wheeler's Common Stock shareholders of \$29.3 million, or (\$3.17) per share.
- Total revenue from continuing operations increased by 12.26% or \$7.2 million.
- NOI from continuing operations increased by 15.05% to approximately \$46.4 million.
- AFFO of \$0.73 per share of the Company's Common Stock and Common Unit.
- Reinvested \$5.1 million in our properties through tenant improvements and capital expenditures.

SUBSEQUENT EVENTS

- On January 11, 2019, the Company completed the sale of Jenks Plaza for a contract price of \$2.20 million, resulting in a gain of \$388 thousand with net proceeds of \$1.84 million. Net proceeds were used to pay \$323 thousand on the Revere Term Loan and \$1.51 million on the First National Bank Line of Credit reducing the First National Bank Line of Credit to \$1.42 million.
- On February 7, 2019, the Company completed the sale of a 1.28 acre parcel of non-income producing land at Harbor Pointe for a contract price of \$550 thousand, resulting in net proceeds of \$496 thousand. Net proceeds were used to payoff the associated debt and \$30 thousand on the Revere Term Loan. Approximately 5 acres of land remain at Harbor Pointe.
- In January 2019, the Company extended the promissory notes at Perimeter Square extending the maturity dates to March 2019 from December 2018 and extended the maturity date on the Revere Term Loan to April 2019 from February 2019.
- Reduced the Revere Term Loan to \$505 thousand, \$200 thousand from monthly principal payments from operating cash and \$353 thousand from sales proceeds noted above.
- Reduced the Bulldog Investors Senior Convertible Notes by \$450 thousand to \$919 thousand from \$1.4 million through monthly principal payments from operating cash.

BALANCE SHEET

- Cash and cash equivalents totaled \$3.5 million at December 31, 2018, compared to \$3.7 million at December 31, 2017.
 - Total debt was \$369.6 million at December 31, 2018 (including debt associated with assets held for sale), compared to \$371.5 million at September 30, 2018. Our total debt at December 31, 2017 was \$313.8 million. The increase in debt is primarily a result of \$65.4 million in debt associated with the JANAF acquisition.
 - WHLR's weighted-average interest rate was 4.8% with a term of 4.31 years at December 31, 2018 (including debt associated with assets held for sale). This compares to an interest rate of 4.6% and a term of 4.81 years at December 31, 2017.
 - Net investment properties as of December 31, 2018 totaled at \$441.4 million (including assets held for sale), compared to \$384.3 million as of December 31, 2017.
 - Refinanced six properties off of the KeyBank Credit Line and the loan encumbering LaGrange for a total of \$20.3 million, and extended debt maturities out 5 years to 2023.
 - Paid down the Revere Term Loan, which matures in April 2019 with monthly principal payments of \$100,000. The loan bears interest at 10.0%. The loan was paid down to \$1.1 million, using the following sources: \$4.3 million through property sales proceeds, \$150 thousand through property refinancings and \$1.3 million from operating cash.
 - In conjunction with the JANAF acquisition, the Company issued and sold 1,363,636 shares of Series D Preferred Stock, in a public offering. Each share of Series D Preferred Stock was sold to investors at an offering price of \$16.50 per share. Net proceeds from the public offering totaled \$21.2 million, which includes the impact of the underwriters' selling commissions, legal, accounting and other professional fees.
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DIVIDENDS

- For the quarter ended December 31, 2018, the Company had undeclared dividends of approximately \$3.0 million to our holders of shares of our Series A Preferred Stock, Series B Preferred Stock, and Series D Preferred Stock.
- For the year ended December 31, 2018, the Company declared dividends of approximately \$9.8 million and had undeclared dividends of \$3.0 million to our holders of shares of our Series A Preferred Stock, Series B Preferred Stock, and Series D Preferred Stock.

OPERATIONS AND LEASING

- The Company's real estate portfolio is 89.4% leased.
- Q4-2018 Leasing Activity
 - Executed 29 lease renewals totaling 131,600 square feet at a weighted-average increase of \$0.53 per square foot, representing an increase of 4.83% over prior rates.
 - Signed 8 new leases totaling approximately 56,579 square feet with a weighted-average rate of \$10.38 per square foot.
- YTD 2018 Leasing Activity
 - Executed 119 lease renewals totaling 693,970 square feet at a weighted-average increase of \$0.52 per square foot, representing an increase of 6.05% over prior rates.
 - Signed 55 new leases totaling approximately 290,986 square feet with a weighted-average rate of \$9.06 per square foot.
- The Company's gross leasable area ("GLA"), which is subject to leases that expire over the next twelve months, including month-to-month leases declined to approximately 7.08% at December 31, 2018, compared to 9.39% at December 31, 2017. At December 31, 2018, 50.75% of this expiring GLA is subject to renewal options.
- Southeastern Grocers
 - The Company modified thirteen leases with Southeastern Grocers anchor tenants and recaptured four locations. These modifications primarily include a combination of increases and decreases to lease term and rental rates, as well as deferred landlord contributions for remodels. The Company recaptured Ladson Crossing, St. Matthews, South Park, and Tampa Festival in the second quarter of 2018. The Cypress Shopping Center lease expired on March 31, 2018. As part of the negotiated recaptures the Company received \$246 thousand during the year ended December 31, 2018. The remaining lease modifications were approved by the Southeastern Grocers' bankruptcy court in the second quarter 2018. The initial annualized base rent impact of these modifications and recaptures is approximately \$2.5 million. Three of these locations have been backfilled and two of these locations had rents commence in 2018 with the third location commencing rent in February 2019. These backfills reduce the impact on the Company's annualized base rent to \$1.9 million.

SAME STORE RESULTS

- Same-store NOI for the three months ended December 31, 2018 compared to December 31, 2017, declined by (8.30%) and (10.62%) on a cash basis. The same-store pool for the 3 months ended December 31, 2018, was comprised of 4.9 million square feet that the Company owned as of January 1, 2017. Same-store results were driven by a 5.78% decrease in property revenues, a result of a full quarter of Southeastern Grocers recaptures and rent modifications accompanied by anchor lease expirations at South Lake and Walnut Hill, the impact of a full quarter of the lease termination at Berkley Shopping Center and loss of rents on the Monarch Bank Building and Shoppes at Eagle Harbor sold in 2018. Same Store property expenses decreased 1.17% as a result of lower insurance expenses.
 - Same-store NOI for the year ended December 31, 2018 compared to December 31, 2017, declined by (4.01%) and (6.20%) on a cash basis. Same-store results for the year ended December 31, 2018, were driven, by a decrease of 2.66% in property revenues as a result of the impact of over half a year of Southeastern Grocers recaptures and rent modifications accompanied by anchor lease expirations at South Lake, Fort Howard and Walnut Hill, full year of rent modifications at Devine and loss of rents on the Monarch Bank Building and Shoppes at Eagle Harbor both sold in 2018, offset by \$980 thousand in lease termination fees on Farm Fresh at Berkley Shopping Center. Property expenses increased 1.19% as a result of increased real estate taxes and utilities a direct result of vacant anchor space partially offset by a decrease in insurance expense. The tenant provision for credit losses decreased 12.25% primarily resulting from increased collections on accounts receivable.
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ACQUISITIONS

- As previously disclosed, the Company acquired JANAF, a retail shopping center located in Norfolk, Virginia, for a purchase price of \$85.65 million in January 2018.

DISPOSITIONS

- Sold Chipotle ground lease at Conyers Crossing for a contract price of \$1.3 million, resulting in a gain of \$1.0 million with net proceeds of \$1.2 million.
- Sold an undeveloped land parcel at Laskin Road for a contract price of \$2.9 million, resulting in a \$903 thousand gain with net proceeds of \$2.7 million.
- Sold Shoppes at Eagle Harbor for a contract price of \$5.7 million, resulting in a \$1.3 million gain with net proceeds of \$2.1 million.
- Sold Monarch Bank Building for a contract price of \$1.8 million, resulting in a \$151 thousand gain with net proceeds of \$299 thousand.

SUPPLEMENTAL INFORMATION

Further details regarding Wheeler Real Estate Investment Trust, Inc.'s operations and financials for the period ended December 31, 2018, including a supplemental presentation, are available at <https://ir.whlr.us/>.

CONFERENCE CALL DIAL-IN AND WEBCAST INFORMATION:

The Company will host a conference call and webcast on Wednesday, February 27, 2019 at 10:00 am Eastern Time to review its financial performance and operating results for the quarter ended December 31, 2018.

Conference Call and Webcast:

U.S. & Canada Toll Free: (877) 407-3101 / International: (201) 493-6789

Webcast: www.whlr.us via the Investor Relations Section

Replay:

U.S. & Canada Toll Free: (877) 660-6853 / International: (201) 612-7415

Conference ID#: 13679474

Available February 27, 2019 (one hour after the end of the conference call) to March 27, 2019 at 10:00 am Eastern Time.

ABOUT WHEELER REAL ESTATE INVESTMENT TRUST, INC.

Headquartered in Virginia Beach, VA, Wheeler Real Estate Investment Trust, Inc. is a fully-integrated, self-managed commercial real estate investment company focused on owning and operating income-producing retail properties with a primary focus on grocery-anchored centers. Wheeler's portfolio contains well-located, potentially dominant retail properties in secondary and tertiary markets that generate attractive, risk-adjusted returns, with a particular emphasis on grocery-anchored retail centers. For additional information about the Company, please visit: www.whlr.us.

A copy of Wheeler's Annual Report on Form 10-K, which includes the Company's consolidated financial statements and management's discussion & analysis of financial condition and results of operations, will be available upon filing via the U.S. Securities and Exchange Commission website (www.sec.gov) or through Wheeler's website at www.whlr.us.

DEFINITIONS

FFO, AFFO, Pro Forma AFFO, Property NOI, EBITDA and Adjusted EBITDA are non-GAAP financial measures within the meaning of the rules of the Securities and Exchange Commission. Wheeler considers FFO, AFFO, Pro Forma AFFO, Property NOI, EBITDA and Adjusted EBITDA to be important supplemental measures of its operating performance and believes it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. FFO is intended to exclude GAAP historical cost depreciation and amortization of real estate and related assets, which assumes that the value of real estate assets diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. Because FFO excludes depreciation and amortization unique to real estate and gains and losses from property dispositions, the Company believes that it provides a performance measure that, when compared year-over-year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, development activities and interest costs, providing perspective not immediately apparent from the closest GAAP measurement, net income.

Management believes that the computation of FFO in accordance with NAREIT's definition includes certain items that are not indicative of the operating performance of the Company's real estate assets. These items include, but are not limited to, nonrecurring expenses, legal settlements, legal and professional fees, and acquisition costs. Management uses AFFO, which is a non-GAAP financial measure, to exclude such items. Management believes that reporting AFFO and Pro Forma AFFO in addition to FFO is a useful supplemental measure for the investment community to use when evaluating the operating performance of the Company on a comparative basis. Management also believes that Property NOI, EBITDA and Adjusted EBITDA represent important supplemental measures for securities analysts, investors and other interested parties, as they are often used in calculating net asset value, leverage and other financial metrics used by these parties in the evaluation of REITs.

FORWARD LOOKING STATEMENTS

This press release may contain "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. When the Company uses words such as "may," "will," "intend," "should," "believe," "expect," "anticipate," "project," "estimate" or similar expressions that do not relate solely to historical matters, it is making forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause the actual results to differ materially from the Company's expectations discussed in the forward-looking statements. The Company's expected results may not be achieved, and actual results may differ materially from expectations. Specifically, the Company's statements regarding future generation of financial returns from its portfolio are forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. For these reasons, among others, investors are cautioned not to place undue reliance upon any forward-looking statements in this press release.

Additional factors are discussed in the Company's filings with the U.S. Securities and Exchange Commission, which are available for review at www.sec.gov. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof.

Mary Jensen
Investor Relations
(757) 627-9088 / mjensen@whlr.us

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Consolidated Statements of Operations
(in thousands, except share and per share data)

	Three Months Ended		Years Ended December 31,	
	December 31,			
	2018	2017	2018	2017
REVENUE:				
Rental revenues	\$ 12,589	\$ 10,891	\$ 50,952	\$ 44,156
Asset management fees	46	120	189	927
Commissions	38	141	140	899
Tenant reimbursements	3,258	2,905	12,595	11,032
Development and other revenues	136	239	1,833	1,521
Total Revenue	16,067	14,296	65,709	58,535
OPERATING EXPENSES:				
Property operations	4,669	3,922	18,473	15,389
Non-REIT management and leasing services	16	(598)	75	927
Depreciation and amortization	6,151	5,776	27,094	26,231
Impairment of goodwill	5,486	—	5,486	—
Provision for credit losses	99	2,378	434	2,821
Impairment of notes receivable	1,739	5,261	1,739	5,261
Corporate general & administrative	1,749	2,509	8,228	7,364
Other operating expenses	—	—	250	—
Total Operating Expenses	19,909	19,248	61,779	57,993
Gain on disposal of properties	151	—	2,463	1,021
Operating (Loss) Income	(3,691)	(4,952)	6,393	1,563
Interest income	1	363	4	1,443
Interest expense	(5,288)	(4,168)	(20,228)	(17,165)
Net Loss from Continuing Operations Before Income Taxes	(8,978)	(8,757)	(13,831)	(14,159)
Income tax expense (benefit)	32	38	(40)	(137)
Net Loss from Continuing Operations	(8,946)	(8,719)	(13,871)	(14,296)
Discontinued Operations				
(Loss) income from discontinued operations	(3,938)	—	(3,938)	16
Gain on disposal of properties	—	—	903	1,502
Net (Loss) Income from Discontinued Operations	(3,938)	—	(3,035)	1,518
Net Loss	(12,884)	(8,719)	(16,906)	(12,778)
Less: Net loss attributable to noncontrolling interests	(336)	(519)	(406)	(684)
Net Loss Attributable to Wheeler REIT	(12,548)	(8,200)	(16,500)	(12,094)
Preferred Stock dividends - declared	(169)	(2,496)	(9,790)	(9,969)
Preferred Stock dividends - undeclared	(3,037)	—	(3,037)	—
Net Loss Attributable to Wheeler REIT Common Shareholders	\$ (15,754)	\$ (10,696)	\$ (29,327)	\$ (22,063)
Loss per share from continuing operations (basic and diluted)	\$ (1.25)	\$ (1.22)	\$ (2.85)	\$ (2.70)
(Loss) income per share from discontinued operations	(0.41)	—	(0.32)	0.16
Total loss per share	\$ (1.66)	\$ (1.22)	\$ (3.17)	\$ (2.54)
Weighted-average number of shares:				
Basic and Diluted	9,484,185	8,739,455	9,256,234	8,654,240

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Consolidated Balance Sheets
(in thousands, except par value and share data)

	December 31,	
	2018	2017
ASSETS:		
Investment properties, net	\$ 433,142	\$ 375,199
Cash and cash equivalents	3,544	3,677
Restricted cash	14,455	8,609
Rents and other tenant receivables, net	5,539	5,619
Notes receivable, net	5,000	6,739
Goodwill	—	5,486
Assets held for sale	8,982	9,135
Above market lease intangible, net	7,346	8,778
Deferred costs and other assets, net	30,073	34,432
Total Assets	\$ 508,081	\$ 457,674
LIABILITIES:		
Loans payable, net	\$ 360,117	\$ 307,375
Liabilities associated with assets held for sale	4,632	792
Below market lease intangible, net	10,045	9,616
Accounts payable, accrued expenses and other liabilities	12,077	10,579
Dividends payable	—	5,480
Total Liabilities	386,871	333,842
Commitments and contingencies	—	—
Series D Cumulative Convertible Preferred Stock (no par value, 4,000,000 shares authorized, 3,600,636 and 2,237,000 shares issued and outstanding; \$91.98 million and \$55.93 million aggregate liquidation preference, respectively)	76,955	53,236
EQUITY:		
Series A Preferred Stock (no par value, 4,500 shares authorized, 562 shares issued and outstanding)	453	453
Series B Convertible Preferred Stock (no par value, 5,000,000 authorized, 1,875,748 and 1,875,848 shares issued and outstanding, respectively; \$46.90 million aggregate liquidation preference)	41,000	40,915
Common Stock (\$0.01 par value, 18,750,000 shares authorized, 9,511,464 and 8,744,189 shares issued and outstanding, respectively)	95	87
Additional paid-in capital	233,697	226,978
Accumulated deficit	(233,184)	(204,925)
Total Shareholders' Equity	42,061	63,508
Noncontrolling interests	2,194	7,088
Total Equity	44,255	70,596
Total Liabilities and Equity	\$ 508,081	\$ 457,674

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Reconciliation of Funds From Operations (FFO)
(unaudited, in thousands)

Three Months Ended December 31,

	Same Stores		New Stores		Total		Year Over Year Changes	
	2018	2017	2018	2017	2018	2017	\$	%
Net loss	\$ (12,852)	\$ (8,719)	\$ (32)	\$ —	\$ (12,884)	\$ (8,719)	\$ (4,165)	(47.77)%
Depreciation and amortization of real estate assets	4,855	5,776	1,296	—	6,151	5,776	375	6.49 %
Impairment of goodwill	5,486	—	—	—	5,486	—	5,486	100.00 %
Impairment of land	3,938	—	—	—	3,938	—	3,938	100.00 %
Gain on disposal of properties	(151)	—	—	—	(151)	—	(151)	(100.00)%
FFO	\$ 1,276	\$ (2,943)	\$ 1,264	\$ —	\$ 2,540	\$ (2,943)	\$ 5,483	186.31 %

Years Ended December 31,

	Same Stores		New Stores		Total		Year Over Year Changes	
	2018	2017	2018	2017	2018	2017	\$	%
Net loss	\$ (16,696)	\$ (12,778)	\$ (210)	\$ —	\$ (16,906)	\$ (12,778)	\$ (4,128)	(32.31)%
Depreciation and amortization of real estate assets	22,386	26,231	4,708	—	27,094	26,231	863	3.29 %
Impairment of goodwill	5,486	—	—	—	5,486	—	5,486	100.00 %
Impairment of land	3,938	—	—	—	3,938	—	3,938	100.00 %
Gain on disposal of properties	(2,463)	(1,021)	—	—	(2,463)	(1,021)	(1,442)	(141.23)%
Gain on disposal of properties-discontinued operations	(903)	(1,502)	—	—	(903)	(1,502)	599	39.88 %
FFO	\$ 11,748	\$ 10,930	\$ 4,498	\$ —	\$ 16,246	\$ 10,930	\$ 5,316	48.64 %

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Reconciliation of Funds From Operations (FFO)
(unaudited, in thousands)

	Three Months Ended		Years Ended December 31,	
	December 31,			
	2018	2017	2018	2017
Net Loss	\$ (12,884)	\$ (8,719)	\$ (16,906)	\$ (12,778)
Depreciation and amortization of real estate assets	6,151	5,776	27,094	26,231
Impairment of goodwill	5,486	—	5,486	—
Impairment of land	3,938	—	3,938	—
Gain on disposal of properties	(151)	—	(2,463)	(1,021)
Gain on disposal of properties-discontinued operations	—	—	(903)	(1,502)
FFO	2,540	(2,943)	16,246	10,930
Preferred stock dividends-declared	(169)	(2,496)	(9,790)	(9,969)
Preferred stock dividends-undeclared	(3,037)	—	(3,037)	—
Preferred stock accretion adjustments	169	204	678	809
FFO available to common shareholders and common unitholders	(497)	(5,235)	4,097	1,770
Impairment of notes receivable	1,739	5,261	1,739	5,261
Acquisition and development costs	(46)	269	300	1,101
Capital related costs	168	195	576	663
Other non-recurring and non-cash expenses (1)	—	117	103	294
Share-based compensation	213	135	940	870
Straight-line rent	(244)	(146)	(1,197)	(712)
Loan cost amortization	681	578	2,363	3,087
Accrued interest income	—	774	—	415
(Below) above market lease amortization	(274)	5	(695)	453
Recurring capital expenditures and tenant improvement reserves	(285)	(245)	(1,143)	(941)
AFFO	\$ 1,455	\$ 1,708	\$ 7,083	\$ 12,261
Weighted Average Common Shares	9,484,185	8,739,455	9,256,234	8,654,240
Weighted Average Common Units	259,054	639,555	389,421	702,168
Total Common Shares and Units	9,743,239	9,379,010	9,645,655	9,356,408
FFO per Common Share and Common Units	\$ (0.05)	\$ (0.56)	\$ 0.42	\$ 0.19
AFFO per Common Share and Common Units	\$ 0.15	\$ 0.18	\$ 0.73	\$ 1.31

(1) Other non-recurring expenses are described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2018.

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Reconciliation of Property Net Operating Income
(unaudited, in thousands)

Three Months Ended December 31,

	Same Store		New Store		Total	
	2018	2017	2018	2017	2018	2017
	(in thousands)					
Net Loss	\$ (12,852)	\$ (8,719)	\$ (32)	\$ —	\$ (12,884)	\$ (8,719)
Adjustments:						
Net Loss from Discontinued Operations	3,938	—	—	—	3,938	—
Income tax benefit	(32)	(38)	—	—	(32)	(38)
Interest expense	4,542	4,168	746	—	5,288	4,168
Interest income	(1)	(363)	—	—	(1)	(363)
Gain on disposal of properties	(151)	—	—	—	(151)	—
Corporate general & administrative	1,729	2,509	20	—	1,749	2,509
Impairment of notes receivable	1,739	5,261	—	—	1,739	5,261
Provision for credit losses- non-tenant	—	2,364	—	—	—	2,364
Impairment of goodwill	5,486	—	—	—	5,486	—
Depreciation and amortization	4,855	5,776	1,296	—	6,151	5,776
Non-REIT management and leasing services	16	(598)	—	—	16	(598)
Development income	—	(83)	—	—	—	(83)
Asset management and commission revenues	(84)	(261)	—	—	(84)	(261)
Property Net Operating Income	\$ 9,185	\$ 10,016	\$ 2,030	\$ —	\$ 11,215	\$ 10,016
Property revenues	\$ 13,146	\$ 13,952	\$ 2,837	\$ —	\$ 15,983	\$ 13,952
Property expenses	3,876	3,922	793	—	4,669	3,922
Provision for credit losses- tenant	85	14	14	—	99	14
Property Net Operating Income	\$ 9,185	\$ 10,016	\$ 2,030	\$ —	\$ 11,215	\$ 10,016

Years Ended December 31,

	Same Store		New Store		Total	
	2018	2017	2018	2017	2018	2017
	(in thousands)					
Net Loss	\$ (16,696)	\$ (12,778)	\$ (210)	\$ —	\$ (16,906)	\$ (12,778)
Adjustments:						
Net Loss (Income) from Discontinued Operations	3,035	(1,518)	—	—	3,035	(1,518)
Income tax expense	40	137	—	—	40	137
Interest expense	17,379	17,165	2,849	—	20,228	17,165
Interest income	(4)	(1,443)	—	—	(4)	(1,443)
Gain on disposal of properties	(2,463)	(1,021)	—	—	(2,463)	(1,021)
Other operating expenses	—	—	250	—	250	—
Corporate general & administrative	8,136	7,364	92	—	8,228	7,364
Impairment of notes receivable	1,739	5,261	—	—	1,739	5,261
Provision for credit losses- non-tenant	(77)	2,364	—	—	(77)	2,364
Impairment of goodwill	5,486	—	—	—	5,486	—
Depreciation and amortization	22,386	26,231	4,708	—	27,094	26,231
Non-REIT management and leasing services	75	927	—	—	75	927
Development income	—	(537)	—	—	—	(537)
Asset management and commission revenues	(329)	(1,826)	—	—	(329)	(1,826)
Property Net Operating Income	\$ 38,707	\$ 40,326	\$ 7,689	\$ —	\$ 46,396	\$ 40,326
Property revenues	\$ 54,680	\$ 56,172	\$ 10,700	\$ —	\$ 65,380	\$ 56,172
Property expenses	15,572	15,389	2,901	—	18,473	15,389
Provision for credit losses- tenant	401	457	110	—	511	457
Property Net Operating Income	\$ 38,707	\$ 40,326	\$ 7,689	\$ —	\$ 46,396	\$ 40,326

Wheeler Real Estate Investment Trust, Inc. and Subsidiaries
Reconciliation of Earnings Before Interest, Taxes, Depreciation and Amortization - EBITDA
(unaudited, in thousands)

	Three Months Ended		Years Ended December 31,	
	December 31,		December 31,	
	2018	2017	2018	2017
Net Loss	\$ (12,884)	\$ (8,719)	\$ (16,906)	\$ (12,778)
Add				
back: Depreciation and amortization (1)	5,877	5,781	26,399	26,684
Interest Expense (2)	5,288	4,168	20,228	17,174
Income tax (benefit) expense	(32)	(38)	40	137
EBITDA	(1,751)	1,192	29,761	31,217
Adjustments for items affecting comparability:				
Acquisition and development costs	(46)	269	300	1,101
Capital related costs	168	195	576	663
Other non-recurring and non-cash expenses (3)	—	117	103	294
Impairment of goodwill	5,486	—	5,486	—
Impairment of notes receivable	1,739	5,261	1,739	5,261
Impairment of land-discontinued operations	3,938	—	3,938	—
Gain on disposal of properties	(151)	—	(2,463)	(1,021)
Gain on disposal of properties-discontinued operations	—	—	(903)	(1,502)
Adjusted EBITDA	\$ 9,383	\$ 7,034	\$ 38,537	\$ 36,013

(1) Includes above (below) market lease amortization.

(2) Includes loan cost amortization and amounts associated with discontinued operations.

(3) Other non-recurring expenses are described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the period ended December 31, 2018.



Supplemental Operating and Financial Data
for the three months and year ended December 31, 2018

Table of Contents

	Page
Company Overview	3
Financial and Portfolio Overview	4
Financial Summary	
Consolidated Balance Sheets	5
Consolidated Statements of Operations	6
Reconciliation of Non-GAAP Measures	7
Debt Summary	10
Portfolio Summary	
Property Summary	12
Top Ten Tenants by Annualized Base Rent	14
Leasing Summary	15
Definitions	18

Forward-Looking Statements

This document contains forward-looking statements that are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially. These risks include, without limitation: adverse economic or real estate developments in the retail industry or the markets in which Wheeler Real Estate Investment Trust, Inc. operates; defaults on or non-renewal of leases by tenants; increased interest rates and operating costs; decreased rental rates or increased vacancy rates; Wheeler Real Estate Investment Trust, Inc.'s failure to obtain necessary outside financing on favorable terms or at all; changes in the availability of additional acquisition opportunities; Wheeler Real Estate Investment Trust, Inc.'s inability to successfully complete real estate acquisitions or successfully operate acquired properties and Wheeler Real Estate Investment Trust, Inc.'s failure to qualify or maintain its status as a REIT. For a further list and description of such risks and uncertainties that could impact Wheeler Real Estate Investment Trust, Inc.'s future results, performance or transactions, see the reports filed by Wheeler Real Estate Investment Trust, Inc. with the Securities and Exchange Commission, including its quarterly reports on Form 10-Q and annual reports on Form 10-K. Wheeler Real Estate Investment Trust, Inc. disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Company Overview

Headquartered in Virginia Beach, VA, Wheeler Real Estate Investment Trust, Inc. is a fully-integrated, self-managed commercial real estate investment company focused on owning and operating income-producing retail properties with a primary focus on grocery-anchored centers. Wheeler's portfolio contains well-located, potentially dominant retail properties in secondary and tertiary markets that generate attractive, risk-adjusted returns. Wheeler's common stock, Series B convertible preferred stock, Series D cumulative convertible preferred stock and common stock warrants trade publicly on the Nasdaq under the symbols "WHLR", "WHLRP", "WHLRD" and "WHLRW", respectively.

Corporate Headquarters

Wheeler Real Estate Investment Trust, Inc.

Riversedge North

2529 Virginia Beach Boulevard

Virginia Beach, VA 23452

Phone: (757) 627-9088

Toll Free: (866) 203-4864

Website: www.whlr.us

Executive Management

David Kelly - President & CEO

Matthew T. Reddy - CFO

M. Andrew Franklin - COO

Board of Directors

John W. Sweet (Chairman)

Sean F. Armstrong

Stewart J. Brown

David Kelly

Andrew R. Jones

John P. McAuliffe

Carl B. McGowan, Jr.

Jeffrey M. Zwerdling

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www.whlr.us

Transfer Agent and Registrar

Computershare Trust Company, N.A.

250 Royall Street

Canton, MA 02021

www.computershare.com

Financial and Portfolio Overview

For the Three Months Ended December 31, 2018

Financial Results

Net loss attributable to Wheeler REIT common shareholders (in 000s)	\$	(15,754)
Net loss per basic and diluted shares	\$	(1.66)
Funds from operations available to common shareholders and Operating Partnership (OP) unitholders (FFO) (in 000s) (1)	\$	(497)
FFO per common share and OP unit	\$	(0.05)
Adjusted FFO (AFFO) (in 000s) (1)	\$	1,455
AFFO per common share and OP unit	\$	0.15

Assets and Leverage

Investment Properties, net of \$40.19 million accumulated depreciation (in 000s)	\$	433,142
Cash and Cash Equivalents (in 000s)	\$	3,544
Total Assets (in 000s)	\$	508,081
Debt to Total Assets ⁽³⁾		72.75 %
Debt to Gross Asset Value		63.60 %

Market Capitalization

Common shares outstanding				9,511,464
OP units outstanding				235,032
Total common shares and OP units				9,746,496
	Shares Outstanding at December 31, 2018	Fourth Quarter stock price range	Stock price as of December 31, 2018	
Common Stock	9,511,464	\$0.72 - \$4.54	\$	0.89
Series B preferred shares	1,875,748	\$6.20 - \$19.20	\$	7.78
Series D preferred shares	3,600,636	\$7.00 - \$21.68	\$	9.63
Total debt (in 000s) ⁽³⁾			\$	369,612
Common Stock market capitalization (as of December 31, 2018 closing stock price, in 000s)			\$	8,465

Portfolio Summary

Total Leasable Area (GLA) in sq. ft.	5,716,471
Occupancy Rate	89.1 %
Leased Rate (2)	89.4 %
Annualized Base Rent (in 000s)	\$ 49,247
Total number of leases signed or renewed during the fourth quarter of 2018	37
Total sq. ft. leases signed or renewed during the fourth quarter of 2018	188,179

(1) See page 18 for the Company's definition of this non-GAAP measurement and reasons for using it.

(2) Reflects leases executed through January 9, 2019 that commence subsequent to the end of the current period.

(3) Includes debt associated with assets held for sale.

Consolidated Balance Sheets

\$ in 000s

	December 31,	
	2018	2017
ASSETS:		
Investment properties, net	\$ 433,142	\$ 375,199
Cash and cash equivalents	3,544	3,677
Restricted cash	14,455	8,609
Rents and other tenant receivables, net	5,539	5,619
Notes receivable, net	5,000	6,739
Goodwill	—	5,486
Assets held for sale	8,982	9,135
Above market lease intangible, net	7,346	8,778
Deferred costs and other assets, net	30,073	34,432
Total Assets	\$ 508,081	\$ 457,674
LIABILITIES:		
Loans payable, net	\$ 360,117	\$ 307,375
Liabilities associated with assets held for sale	4,632	792
Below market lease intangible, net	10,045	9,616
Accounts payable, accrued expenses and other liabilities	12,077	10,579
Dividends payable	—	5,480
Total Liabilities	386,871	333,842
Commitments and contingencies	—	—
Series D Cumulative Convertible Preferred Stock (no par value, 4,000,000 shares authorized, 3,600,636 and 2,237,000 shares issued and outstanding; \$91.98 million and \$55.93 million aggregate liquidation preference, respectively)	76,955	53,236
EQUITY:		
Series A Preferred Stock (no par value, 4,500 shares authorized, 562 shares issued and outstanding)	453	453
Series B Convertible Preferred Stock (no par value, 5,000,000 authorized, 1,875,748 and 1,875,848 shares issued and outstanding, respectively; \$46.90 million aggregate liquidation preference)	41,000	40,915
Common Stock (\$0.01 par value, 18,750,000 shares authorized, 9,511,464 and 8,744,189 shares issued and outstanding, respectively)	95	87
Additional paid-in capital	233,697	226,978
Accumulated deficit	(233,184)	(204,925)
Total Shareholders' Equity	42,061	63,508
Noncontrolling interests	2,194	7,088
Total Equity	44,255	70,596
Total Liabilities and Equity	\$ 508,081	\$ 457,674

Consolidated Statements of Operations

\$ in 000s

	Three Months Ended December		Years Ended December 31,	
	31,			
	2018	2017	2018	2017
REVENUE:				
Rental revenues	\$ 12,589	\$ 10,891	\$ 50,952	\$ 44,156
Asset management fees	46	120	189	927
Commissions	38	141	140	899
Tenant reimbursements	3,258	2,905	12,595	11,032
Development and other revenues	136	239	1,833	1,521
Total Revenue	16,067	14,296	65,709	58,535
OPERATING EXPENSES:				
Property operations	4,669	3,922	18,473	15,389
Non-REIT management and leasing services	16	(598)	75	927
Depreciation and amortization	6,151	5,776	27,094	26,231
Impairment of goodwill	5,486	—	5,486	—
Provision for credit losses	99	2,378	434	2,821
Impairment of notes receivable	1,739	5,261	1,739	5,261
Corporate general & administrative	1,749	2,509	8,228	7,364
Other operating expenses	—	—	250	—
Total Operating Expenses	19,909	19,248	61,779	57,993
Gain on disposal of properties	151	—	2,463	1,021
Operating (Loss) Income	(3,691)	(4,952)	6,393	1,563
Interest income	1	363	4	1,443
Interest expense	(5,288)	(4,168)	(20,228)	(17,165)
Net Loss from Continuing Operations Before Income Taxes	(8,978)	(8,757)	(13,831)	(14,159)
Income tax expense (benefit)	32	38	(40)	(137)
Net Loss from Continuing Operations	(8,946)	(8,719)	(13,871)	(14,296)
Discontinued Operations				
(Loss) income from discontinued operations	(3,938)	—	(3,938)	16
Gain on disposal of properties	—	—	903	1,502
Net (Loss) Income from Discontinued Operations	(3,938)	—	(3,035)	1,518
Net Loss	(12,884)	(8,719)	(16,906)	(12,778)
Less: Net loss attributable to noncontrolling interests	(336)	(519)	(406)	(684)
Net Loss Attributable to Wheeler REIT	(12,548)	(8,200)	(16,500)	(12,094)
Preferred Stock dividends - declared	(169)	(2,496)	(9,790)	(9,969)
Preferred Stock dividends - undeclared	(3,037)	—	(3,037)	—
Net Loss Attributable to Wheeler REIT Common Shareholders	\$ (15,754)	\$ (10,696)	\$ (29,327)	\$ (22,063)
Loss per share from continuing operations (basic and diluted)	\$ (1.25)	\$ (1.22)	\$ (2.85)	\$ (2.70)
(Loss) income per share from discontinued operations	(0.41)	—	(0.32)	0.16
Total loss per share	\$ (1.66)	\$ (1.22)	\$ (3.17)	\$ (2.54)
Weighted-average number of shares:				
Basic and Diluted	9,484,185	8,739,455	9,256,234	8,654,240

Reconciliation of Non-GAAP Measures

FFO and AFFO ⁽¹⁾

\$ in 000s

	Three Months Ended December		Years Ended December 31,	
	31,		2018	2017
	2018	2017	2018	2017
Net Loss	\$ (12,884)	\$ (8,719)	\$ (16,906)	\$ (12,778)
Depreciation and amortization of real estate assets	6,151	5,776	27,094	26,231
Impairment of goodwill	5,486	—	5,486	—
Impairment of land	3,938	—	3,938	—
Gain on disposal of properties	(151)	—	(2,463)	(1,021)
Gain on disposal of properties-discontinued operations	—	—	(903)	(1,502)
FFO	2,540	(2,943)	16,246	10,930
Preferred stock dividends-declared	(169)	(2,496)	(9,790)	(9,969)
Preferred stock dividends-undeclared	(3,037)	—	(3,037)	—
Preferred stock accretion adjustments	169	204	678	809
FFO available to common shareholders and common unitholders	(497)	(5,235)	4,097	1,770
Impairment of notes receivable	1,739	5,261	1,739	5,261
Acquisition and development costs	(46)	269	300	1,101
Capital related costs	168	195	576	663
Other non-recurring and non-cash expenses ⁽²⁾	—	117	103	294
Share-based compensation	213	135	940	870
Straight-line rent	(244)	(146)	(1,197)	(712)
Loan cost amortization	681	578	2,363	3,087
Accrued interest income	—	774	—	415
(Below) above market lease amortization	(274)	5	(695)	453
Recurring capital expenditures and tenant improvement reserves	(285)	(245)	(1,143)	(941)
AFFO	\$ 1,455	\$ 1,708	\$ 7,083	\$ 12,261
Weighted Average Common Shares	9,484,185	8,739,455	9,256,234	8,654,240
Weighted Average Common Units	259,054	639,555	389,421	702,168
Total Common Shares and Units	9,743,239	9,379,010	9,645,655	9,356,408
FFO per Common Share and Common Units	\$ (0.05)	\$ (0.56)	\$ 0.42	\$ 0.19
AFFO per Common Share and Common Units	\$ 0.15	\$ 0.18	\$ 0.73	\$ 1.31

(1) See page 18 for the Company's definition of this non-GAAP measurement and reasons for using it.

(2) Other non-recurring expenses are described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2018.

Reconciliation of Non-GAAP Measures (continued)

Property Net Operating Income (1)

\$ in 000s

	Three Months Ended December 31,		Years Ended December 31,	
	2018	2017	2018	2017
Net Loss	\$ (12,884)	\$ (8,719)	\$ (16,906)	\$ (12,778)
Adjustments:				
Net Income from Discontinued Operations	3,938	—	3,035	(1,518)
Income tax (benefit) expense	(32)	(38)	40	137
Interest expense	5,288	4,168	20,228	17,165
Interest income	(1)	(363)	(4)	(1,443)
Gain on disposal of properties	(151)	—	(2,463)	(1,021)
Other operating expenses	—	—	250	—
Corporate general & administrative	1,749	2,509	8,228	7,364
Impairment of notes receivable	1,739	5,261	1,739	5,261
Provision for credit losses - non-tenant	—	2,364	(77)	2,364
Impairment of goodwill	5,486	—	5,486	—
Depreciation and amortization	6,151	5,776	27,094	26,231
Non-REIT management and leasing services	16	(598)	75	927
Development income	—	(83)	—	(537)
Asset management and commission revenues	(84)	(261)	(329)	(1,826)
Property Net Operating Income	\$ 11,215	\$ 10,016	\$ 46,396	\$ 40,326
Property revenues	\$ 15,983	\$ 13,952	\$ 65,380	\$ 56,172
Property expenses	4,669	3,922	18,473	15,389
Provision for credit losses - tenant	99	14	511	457
Property Net Operating Income	\$ 11,215	\$ 10,016	\$ 46,396	\$ 40,326

(1) See page 19 for the Company's definition of this non-GAAP measurement and reasons for using it.

Reconciliation of Non-GAAP Measures (continued)

EBITDA (4)

\$ in 000s

	Three Months Ended December 31,		Years Ended December 31,	
	2018	2017	2018	2017
Net Loss	\$ (12,884)	\$ (8,719)	\$ (16,906)	\$ (12,778)
Add back: Depreciation and amortization (1)	5,877	5,781	26,399	26,684
Interest Expense (2)	5,288	4,168	20,228	17,174
Income tax (benefit) expense	(32)	(38)	40	137
EBITDA	(1,751)	1,192	29,761	31,217
Adjustments for items affecting comparability:				
Acquisition and development costs	(46)	269	300	1,101
Capital related costs	168	195	576	663
Other non-recurring and non-cash expenses (3)	—	117	103	294
Impairment of goodwill	5,486	—	5,486	—
Impairment of notes receivable	1,739	5,261	1,739	5,261
Impairment of land-discontinued operations	3,938	—	3,938	—
Gain on disposal of properties	(151)	—	(2,463)	(1,021)
Gain on disposal of properties-discontinued operations	—	—	(903)	(1,502)
Adjusted EBITDA	\$ 9,383	\$ 7,034	\$ 38,537	\$ 36,013

(1) Includes above (below) market lease amortization.

(2) Includes loan cost amortization and amounts associated with discontinued operations.

(3) Other non-recurring expenses are described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the period ended December 31, 2018.

(4) See page 18 for the Company's definition of this non-GAAP measurement and reasons for using it.

Debt Summary as of December 31, 2018

\$ in 000s

Loans Payable: \$369.61 million

Weighted Average Interest Rate: 4.84%

Total Debt to Total Assets: 72.75%

<u>Property/Description</u>	<u>Monthly Payment</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Harbor Pointe (1)	\$ 11,024	5.85%	December 2018	\$ 460	\$ 553
Perimeter Square	Interest only	5.50%	December 2018	6,250	5,382
Perimeter Square construction loan	Interest only	6.00%	December 2018	247	—
KeyBank Line of Credit	Interest only	Libor + 250 basis points	February 2019	3,830	15,532
Revere Term Loan	\$ 109,658	10.00%	February 2019	1,059	6,808
Monarch Bank Building	\$ 7,340	4.85%	June 2019	—	1,266
Senior convertible notes	\$ 234,199	9.00%	June 2019	1,369	1,369
DF I-Moyock (1)	\$ 10,665	5.00%	July 2019	73	194
Rivergate	\$ 144,823	Libor + 295 basis points	December 2019	22,117	22,689
KeyBank Line of Credit	Interest only	Libor + 250 basis points	December 2019	48,272	52,500
LaGrange Marketplace	\$ 15,065	Libor + 375 basis points	March 2020	—	2,317
Folly Road	\$ 32,827	4.00%	March 2020	6,073	6,181
Columbia Fire Station construction loan	\$ 25,452	4.00%	May 2020	4,189	3,421
Shoppes at TJ Maxx	\$ 33,880	3.88%	May 2020	5,539	5,727
First National Bank Line of Credit	Interest only	Libor + 300 basis points	September 2020	2,938	3,000
Lumber River	\$ 10,723	Libor + 350 basis points	October 2020	1,448	1,500
JANAF Bravo	Interest only	4.65%	January 2021	6,500	—
Walnut Hill Plaza	\$ 26,850	5.50%	September 2022	3,868	3,903
Riversedge North	\$ 11,436	5.77%	December 2023	1,800	863
Twin City Commons	\$ 17,827	4.86%	January 2023	3,048	3,111
Shoppes at Eagle Harbor	\$ 26,528	5.10%	March 2023	—	3,341
New Market	\$ 48,747	5.65%	June 2023	6,907	—
Benefit Street Note (3)	\$ 53,185	5.71%	June 2023	7,567	—
Deutsche Bank Note (2)	\$ 33,340	5.71%	July 2023	5,713	—
JANAF	\$ 333,159	4.49%	July 2023	52,253	—
Tampa Festival	\$ 50,797	5.56%	September 2023	8,227	8,368
Forrest Gallery	\$ 50,973	5.40%	September 2023	8,529	8,669
South Carolina Food Lions Note	\$ 68,320	5.25%	January 2024	11,867	12,050
Cypress Shopping Center	\$ 34,360	4.70%	July 2024	6,379	6,485
Port Crossing	\$ 34,788	4.84%	August 2024	6,150	6,263
Freeway Junction	\$ 41,798	4.60%	September 2024	7,863	7,994
Harrodsburg Marketplace	\$ 19,112	4.55%	September 2024	3,486	3,553
Graystone Crossing (1)	\$ 20,386	4.55%	October 2024	3,863	3,928
Bryan Station	\$ 23,489	4.52%	November 2024	4,472	4,547
Crockett Square	Interest only	4.47%	December 2024	6,338	6,338
Pierpont Centre	Interest only	4.15%	February 2025	8,113	8,113
Alex City Marketplace	Interest only	3.95%	April 2025	5,750	5,750
Butler Square	Interest only	3.90%	May 2025	5,640	5,640
Brook Run Shopping Center	Interest only	4.08%	June 2025	10,950	10,950
Beaver Ruin Village I and II	Interest only	4.73%	July 2025	9,400	9,400
Sunshine Shopping Plaza	Interest only	4.57%	August 2025	5,900	5,900
Barnett Portfolio	Interest only	4.30%	September 2025	8,770	8,770
Fort Howard Shopping Center	Interest only	4.57%	October 2025	7,100	7,100
Conyers Crossing	Interest only	4.67%	October 2025	5,960	5,960
Grove Park Shopping Center	Interest only	4.52%	October 2025	3,800	3,800
Parkway Plaza	Interest only	4.57%	October 2025	3,500	3,500
Winslow Plaza	Interest only	4.82%	December 2025	4,620	4,620
JANAF BJ's	\$ 29,964	4.95%	January 2026	5,065	—
Chesapeake Square	\$ 23,857	4.70%	August 2026	4,434	4,507
Berkley/Sangaree/Tri-County	Interest only	4.78%	December 2026	9,400	9,400
Riverbridge	Interest only	4.48%	December 2026	4,000	4,000
Franklin	Interest only	4.93%	January 2027	8,516	8,516
Total Principal Balance (1)				369,612	313,778

Unamortized debt issuance cost (1)	(5,144)	(5,656)
Total Loans Payable, including Assets Held for Sale	364,468	308,122
Less loans payable on assets held for sale, net loan amortization costs	4,351	747
Total Loans Payable, net	\$ 360,117	\$ 307,375

(1) Includes loans payable on assets held for sale.

(2) This loan is collateralized by LaGrange Marketplace, Ridgeland and Georgetown.

(3) This loan is collateralized by Ladson Crossing, Lake Greenwood Crossing and South Park.

Debt Summary as of December 31, 2018 (continued)

Total Debt

\$ in 000s

Scheduled principal repayments and maturities by year	Amount	% Total Principal Payments and Maturities
December 31, 2019	88,036	23.82 %
December 31, 2020	23,806	6.44 %
December 31, 2021	10,628	2.88 %
December 31, 2022	8,152	2.21 %
December 31, 2023	84,982	22.99 %
Thereafter	154,008	41.66 %
Total principal repayments and maturities	\$ 369,612	100.00 %

Property Summary as of December 31, 2018

Property	Location	Number of Tenants (1)	Total Leasable Square Feet	Percentage Leased (1)	Percentage Occupied	Total SF Occupied	Annualized Base Rent (2)	Annualized Base Rent per Occupied Sq. Foot
Alex City Marketplace	Alexander City, AL	19	147,791	100.0%	100.0%	147,791	\$ 1,156,565	\$ 7.83
Amscot Building (3)	Tampa, FL	1	2,500	100.0%	100.0%	2,500	115,849	46.34
Beaver Ruin Village	Lilburn, GA	27	74,038	84.7%	84.7%	62,701	1,091,836	17.41
Beaver Ruin Village II	Lilburn, GA	4	34,925	100.0%	100.0%	34,925	448,130	12.83
Berkley (4)	Norfolk, VA	—	—	—%	—%	—	—	—
Berkley Shopping Center	Norfolk, VA	9	47,945	39.5%	39.5%	18,940	232,030	12.25
Brook Run Shopping Center	Richmond, VA	19	147,738	92.1%	92.1%	136,102	1,498,354	11.01
Brook Run Properties (4)	Richmond, VA	—	—	—%	—%	—	—	—
Bryan Station	Lexington, KY	10	54,397	100.0%	100.0%	54,397	596,441	10.96
Butler Square	Mauldin, SC	15	82,400	96.5%	96.5%	79,550	848,760	10.67
Cardinal Plaza	Henderson, NC	7	50,000	94.0%	94.0%	47,000	449,600	9.57
Chesapeake Square	Onley, VA	12	108,982	96.5%	96.5%	105,182	792,110	7.53
Clover Plaza	Clover, SC	10	45,575	100.0%	100.0%	45,575	363,137	7.97
Columbia Fire Station	Columbia, SC	3	21,273	79.0%	79.0%	16,800	449,884	26.78
Courtland Commons (4)	Courtland, VA	—	—	—%	—%	—	—	—
Conyers Crossing	Conyers, GA	12	170,475	98.3%	98.3%	167,575	870,171	5.19
Crockett Square	Morristown, TN	4	107,122	100.0%	100.0%	107,122	920,322	8.59
Cypress Shopping Center	Boiling Springs, SC	15	80,435	37.8%	37.8%	30,375	407,147	13.40
Darien Shopping Center	Darien, GA	1	26,001	100.0%	100.0%	26,001	156,006	6.00
Devine Street	Columbia, SC	2	38,464	100.0%	100.0%	38,464	318,500	8.28
Edenton Commons (4)	Edenton, NC	—	—	—%	—%	—	—	—
Folly Road	Charleston, SC	5	47,794	100.0%	100.0%	47,794	725,840	15.19
Forrest Gallery	Tullahoma, TN	24	214,451	93.0%	93.0%	199,504	1,348,619	6.76
Fort Howard Shopping Center	Rincon, GA	18	113,652	93.6%	93.6%	106,320	879,340	8.27
Freeway Junction	Stockbridge, GA	14	156,834	94.6%	94.6%	148,424	1,084,566	7.31
Franklin Village	Kittanning, PA	29	151,821	100.0%	100.0%	151,821	1,254,274	8.26
Franklinton Square	Franklinton, NC	13	65,366	90.7%	90.7%	59,300	542,253	9.14
Georgetown	Georgetown, SC	2	29,572	100.0%	100.0%	29,572	267,215	9.04
Graystone Crossing	Tega Cay, SC	11	21,997	100.0%	92.3%	20,297	545,353	26.87
Grove Park	Orangeburg, SC	15	106,557	87.5%	87.5%	93,265	737,810	7.91
Harbor Pointe (4)	Grove, OK	—	—	—%	—%	—	—	—
Harrodsburg Marketplace	Harrodsburg, KY	8	60,048	91.0%	91.0%	54,648	413,640	7.57
JANAF (6)	Norfolk, VA	117	810,137	85.9%	84.5%	684,533	7,819,908	11.42
Jenks Plaza	Jenks, OK	5	7,800	100.0%	100.0%	7,800	165,820	21.26
Laburnum Square	Richmond, VA	21	109,405	100.0%	100.0%	109,405	994,847	9.09
Ladson Crossing	Ladson, SC	15	52,607	100.0%	100.0%	52,607	491,572	9.34
LaGrange Marketplace	LaGrange, GA	13	76,594	95.3%	95.3%	72,994	417,150	5.71
Lake Greenwood Crossing	Greenwood, SC	5	47,546	85.0%	85.0%	40,418	316,490	7.83
Lake Murray	Lexington, SC	5	39,218	100.0%	100.0%	39,218	256,162	6.53
Litchfield Market Village	Pawleys Island, SC	18	86,740	86.6%	86.6%	75,103	911,274	12.13
Lumber River Village	Lumberton, NC	11	66,781	98.2%	98.2%	65,581	446,203	6.80
Moncks Corner	Moncks Corner, SC	1	26,800	100.0%	100.0%	26,800	323,451	12.07
Nashville Commons	Nashville, NC	12	56,100	99.9%	99.9%	56,050	602,724	10.75
New Market Crossing	Mt. Airy, NC	13	117,076	96.0%	96.0%	112,368	976,833	8.69
Parkway Plaza	Brunswick, GA	4	52,365	81.7%	81.7%	42,785	346,979	8.11
Perimeter Square	Tulsa, OK	9	58,277	66.6%	66.6%	38,815	470,601	12.12
Pierpont Centre	Morgantown, WV	17	122,259	90.9%	89.3%	109,203	1,294,704	11.86
Port Crossing	Harrisonburg, VA	9	65,365	97.9%	97.9%	64,000	813,644	12.71
Ridgeland	Ridgeland, SC	1	20,029	100.0%	100.0%	20,029	140,203	7.00
Riverbridge Shopping Center	Carrollton, GA	11	91,188	98.5%	98.5%	89,788	688,391	7.67
Riversedge North (5)	Virginia Beach, VA	—	—	—%	—%	—	—	—
Rivergate Shopping Center	Macon, GA	31	201,680	97.5%	97.5%	196,719	2,814,797	14.31
Sangaree Plaza	Summerville, SC	9	66,948	100.0%	100.0%	66,948	648,335	9.68

Portfolio Summary as of December 31, 2018, (continued)

Property	Location	Number of Tenants (1)	Total Leasable Square Feet	Percentage Leased (1)	Occupied Square Foot Percentage	Total SF Occupied	Annualized Base Rent (2)	Annualized Base Rent per Occupied Sq. Foot
Shoppes at Myrtle Park	Bluffton, SC	12	56,601	76.3%	76.3%	43,204	\$ 489,327	\$ 11.33
Shoppes at TJ Maxx	Richmond, VA	16	93,624	95.9%	95.9%	89,815	1,092,673	12.17
South Lake	Lexington, SC	6	44,318	14.2%	14.2%	6,300	89,793	14.25
South Park	Mullins, SC	3	60,734	83.2%	83.2%	50,509	351,189	6.95
South Square	Lancaster, SC	5	44,350	74.2%	74.2%	32,900	272,005	8.27
St. George Plaza	St. George, SC	6	59,279	86.5%	86.5%	51,278	332,439	6.48
St. Matthews	St. Matthews, SC	5	29,015	87.2%	87.2%	25,314	185,508	7.33
Sunshine Plaza	Lehigh Acres, FL	21	111,189	96.6%	96.6%	107,396	987,132	9.19
Surrey Plaza	Hawkinsville, GA	2	42,680	78.5%	78.5%	33,500	211,050	6.30
Tampa Festival	Tampa, FL	17	137,987	63.2%	63.2%	87,266	910,413	10.43
Tri-County Plaza	Royston, GA	6	67,577	89.2%	89.2%	60,277	399,073	6.62
Tulls Creek (4)	Moyock, NC	—	—	—%	—%	—	—	—
Twin City Commons	Batesburg-Leesville, SC	5	47,680	100.0%	100.0%	47,680	434,093	9.10
Village of Martinsville	Martinsville, VA	18	297,950	96.1%	96.1%	286,431	2,224,821	7.77
Walnut Hill Plaza	Petersburg, VA	6	87,239	34.3%	34.3%	29,957	268,048	8.95
Waterway Plaza	Little River, SC	10	49,750	100.0%	100.0%	49,750	485,140	9.75
Westland Square	West Columbia, SC	10	62,735	80.8%	80.8%	50,690	471,206	9.30
Winslow Plaza	Sicklerville, NJ	16	40,695	94.1%	94.1%	38,295	589,702	15.40
Total Portfolio		800	5,716,471	89.4%	89.1%	5,093,671	\$ 49,247,452	\$ 9.67

- (1) Reflects leases executed through January 9, 2019 that commence subsequent to the end of the current period.
- (2) Annualized based rent per occupied square foot, assumes base rent as of the end of the current reporting period, excludes the impact of tenant concessions and rent abatements.
- (3) We own the Amscot building, but we do not own the land underneath the buildings and instead lease the land pursuant to ground leases. As discussed in the financial statements, these ground leases require us to make annual rental payments and contain escalation clauses and renewal options.
- (4) This information is not available because the property is undeveloped.
- (5) This property is our corporate headquarters that we 100% occupy.
- (6) Square footage is net of management office the Company occupies on premise and buildings on ground lease which the Company only leases the land.

Top Ten Tenants by Annualized Base Rent as of December 31, 2018

Total Tenants : 800

Tenants	Annualized Base Rent (\$ in 000s)	% of Total Annualized Base Rent	Total Occupied Square Feet	Percent Total Leasable Square Foot	Base Rent Per Occupied Square Foot
1. BI-LO (1)	\$ 2,717	5.52%	380,675	6.66%	\$ 7.14
2. Food Lion	2,651	5.38%	325,576	5.70%	8.14
3. Piggly Wiggly	1,474	2.99%	191,363	3.35%	7.70
4. Kroger (2)	1,324	2.69%	186,064	3.25%	7.12
5. Winn Dixie (1)	863	1.75%	133,575	2.34%	6.46
6. Hobby Lobby	675	1.37%	114,298	2.00%	5.91
7. Dollar Tree	660	1.34%	87,133	1.52%	7.57
8. BJ's Wholesale Club	594	1.21%	147,400	2.58%	4.03
9. Harris Teeter (2)	578	1.17%	39,946	0.70%	14.47
10. TJ Maxx	574	1.17%	69,783	1.22%	8.23
	\$ 12,110	24.59%	1,675,813	29.32%	\$ 7.23

(1) These tenants are both owned by Southeastern Grocers.

(2) These tenants are both owned by The Kroger Company.

Leasing Summary as of December 31, 2018

Total Leasable Area: 5,716,471 square feet
 Total Square Footage Occupied: 5,093,671 square feet
 Occupancy Rate: 89.1%

Lease Expiration Schedule

Lease Expiration Period	Number of Expiring Leases	Total Expiring Square Footage	% of Total Expiring Square Footage	% of Total Occupied Square Footage Expiring	Expiring Annualized Base Rent (in 000s)	% of Total Annualized Base Rent	Expiring Base Rent Per Occupied Square Foot
Available	—	622,800	10.89%	—%	\$ —	—%	\$ —
Month-to-Month	16	33,491	0.59%	0.66%	433	0.88%	12.93
2019	133	370,966	6.49%	7.28%	4,642	9.43%	12.51
2020	170	1,238,042	21.66%	24.31%	10,234	20.78%	8.27
2021	138	702,359	12.29%	13.79%	7,060	14.33%	10.05
2022	112	462,647	8.09%	9.08%	5,343	10.84%	11.55
2023	96	659,199	11.53%	12.94%	6,405	13.01%	9.72
2024	42	418,792	7.33%	8.22%	3,553	7.21%	8.48
2025	20	312,103	5.46%	6.13%	2,925	5.94%	9.37
2026	23	304,186	5.32%	5.97%	2,713	5.51%	8.92
2027	12	83,850	1.47%	1.65%	1,023	2.08%	12.20
2028 and thereafter	38	508,036	8.88%	9.97%	4,916	9.99%	9.68
Total	800	5,716,471	100.00%	100.00%	\$ 49,247	100.00%	\$ 9.67

Leasing Summary as of December 31, 2018, (continued)

Anchor Lease Expiration Schedule (1)

Lease Expiration Twelve Month Periods Ending December 31,	No Option					Option				
	Number of Expiring Leases	Expiring Occupied Square Footage	Expiring Annualized Based Rent (in 000s)	% of Total Annualized Base Rent	Expiring Base Rent per Square Foot	Number of Expiring Leases	Expiring Occupied Square Footage	Expiring Annualized Based Rent (in 000s)	% of Total Annualized Base Rent	Expiring Base Rent per Square Foot
Available	—	140,564	\$ —	—%	\$ —	—	45,600	\$ —	—%	\$ —
Month-to-Month	—	—	—	—%	—	—	—	—	—%	—
2019	1	21,213	301	38.89%	14.18	1	37,500	296	1.50%	7.88
2020	1	20,858	55	7.11%	2.61	17	778,344	4,509	22.79%	5.79
2021	2	43,427	88	11.37%	2.03	10	290,769	2,361	11.94%	8.12
2022	—	—	—	—%	—	4	148,663	1,149	5.81%	7.73
2023	1	22,032	215	27.78%	9.75	13	408,495	3,059	15.46%	7.49
2024	1	32,000	115	14.85%	3.59	6	252,259	1,674	8.46%	6.64
2025	—	—	—	—%	—	6	256,248	2,122	10.73%	8.28
2026	—	—	—	—%	—	6	221,755	1,637	8.28%	7.38
2027	—	—	—	—%	—	1	24,945	212	1.07%	8.50
2028+	—	—	—	—%	—	12	409,055	2,763	13.96%	6.76
Total	6	280,094	774	100.00%	\$ 5.54	76	2,873,633	19,782	100.00%	\$ 7.00

(1) Anchors defined as leases occupying 20,000 square feet or more.

Non-anchor Lease Expiration Schedule

Lease Expiration Twelve Month Periods Ending December 31,	No Option					Option				
	Number of Expiring Leases	Expiring Occupied Square Footage	Expiring Annualized Based Rent (in 000s)	% of Total Annualized Base Rent	Expiring Base Rent per Square Foot	Number of Expiring Leases	Expiring Occupied Square Footage	Expiring Annualized Based Rent (in 000s)	% of Total Annualized Base Rent	Expiring Base Rent per Square Foot
Available	—	436,636	\$ —	—%	\$ —	—	—	\$ —	—%	\$ —
Month-to-Month	12	23,901	323	2.75%	13.54	4	9,590	110	0.65%	11.43
2019	77	154,087	1,951	16.60%	12.67	54	158,166	2,094	12.36%	13.24
2020	100	259,650	3,303	28.11%	12.72	52	179,190	2,367	13.97%	13.21
2021	67	156,940	1,911	16.26%	12.18	59	211,223	2,700	15.94%	12.78
2022	39	81,254	1,194	10.16%	14.70	69	232,730	3,000	17.71%	12.89
2023	38	81,162	1,050	8.93%	12.94	44	147,510	2,081	12.29%	14.11
2024	18	36,732	516	4.39%	14.03	17	97,801	1,248	7.37%	13.72
2025	8	19,841	299	2.54%	15.09	6	36,014	504	2.98%	14.00
2026	6	14,681	263	2.24%	17.84	11	67,750	813	4.80%	12.01
2027	—	—	—	—%	—	11	58,905	811	4.79%	13.77
2028+	13	50,433	942	8.02%	18.67	13	48,548	1,211	7.14%	24.94
Total	378	1,315,317	11,752	100.00%	\$ 13.37	340	1,247,427	16,939	100.00%	\$ 13.58

Leasing Summary as of December 31, 2018, (continued)

Leasing Renewals, New Leases and Expirations

	Three Months Ended December 31,		Twelve months Ended December 31,	
	2018	2017 (2)	2018	2017 (2)
Renewals(1):				
Leases renewed with rate increase (sq feet)	114,413	63,068	540,896	282,335
Leases renewed with rate decrease (sq feet)	4,215	—	43,935	70,049
Leases renewed with no rate change (sq feet)	12,972	14,430	109,139	218,077
Total leases renewed (sq feet)	131,600	77,498	693,970	570,461
Leases renewed with rate increase (count)				
	22	18	93	78
Leases renewed with rate decrease (count)				
	2	—	8	9
Leases renewed with no rate change (count)				
	5	4	18	25
Total leases renewed (count)	29	22	119	112
Option exercised (count)				
	8	16	31	60
Weighted average on rate increases (per sq foot)				
	\$ 0.82	\$ 0.75	\$ 0.93	\$ 0.92
Weighted average on rate decreases (per sq foot)				
	\$ (5.80)	\$ —	\$ (2.23)	\$ (1.18)
Weighted average rate (per sq foot)				
	\$ 0.53	\$ 0.61	\$ 0.52	\$ 0.31
Weighted average change over prior rates				
	4.83%	4.47%	6.05%	3.35%
New Leases (1):				
New leases (sq feet)	56,579	41,906	290,986	160,341
New leases (count)	8	11	55	55
Weighted average rate (per sq foot)	\$ 10.38	\$ 10.37	\$ 9.06	\$ 11.95
Gross Leasable Area ("GLA") expiring during the next 12 months, including month-to-month				
	7.08%	9.39%	7.08%	9.39%

(1) Lease data presented for the three and twelve months ended December 31, 2018 and 2017 is based on average rate per square foot over the renewed or new lease term.

(2) 2017 lease data adjusted to reflect average rate per square foot over the renewed or new lease term for consistency with 2018 presentation.

Definitions

Funds from Operations (FFO):an alternative measure of a REIT's operating performance, specifically as it relates to results of operations and liquidity. FFO is a measurement that is not in accordance with accounting principles generally accepted in the United States (GAAP). Wheeler computes FFO in accordance with standards established by the Board of Governors of NAREIT in its March 1995 White Paper (as amended in November 1999 and December 2018). As defined by NAREIT, FFO represents net income (computed in accordance with GAAP), excluding gains (or losses) from sales of property, plus real estate related depreciation and amortization (excluding amortization of loan origination costs), plus impairment of goodwill and real estate related long-lived assets and after adjustments for unconsolidated partnerships and joint ventures.

Most industry analysts and equity REITs, including Wheeler, consider FFO to be an appropriate supplemental measure of operating performance because, by excluding gains or losses on dispositions and excluding depreciation, FFO is a helpful tool that can assist in the comparison of the operating performance of a company's real estate between periods, or as compared to different companies. Management uses FFO as a supplemental measure to conduct and evaluate the business because there are certain limitations associated with using GAAP net income alone as the primary measure of our operating performance. Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time, while historically real estate values have risen or fallen with market conditions.

Adjusted FFO (AFFO):Management believes that the computation of FFO in accordance with NAREIT's definition includes certain items that are not indicative of the operating performance of the Company's real estate assets. These items include, but are not limited to, non-recurring expenses, legal settlements, acquisition costs and capital raise costs. Management uses AFFO, which is a non-GAAP financial measure, to exclude such items. Management believes that reporting AFFO in addition to FFO is a useful supplemental measure for the investment community to use when evaluating the operating performance of the Company on a comparative basis. The Company also presents Pro Forma AFFO which shows the impact of certain activities assuming they occurred at the beginning of the year.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)another widely-recognized non-GAAP financial measure that the Company believes, when considered with financial statements prepared in accordance with GAAP, is useful to investors and lenders in understanding financial performance and providing a relevant basis for comparison among other companies, including REITs. While EBITDA should not be considered as a substitute for net income attributable to the Company's common shareholders, net operating income, cash flow from operating activities, or other income or cash flow data prepared in accordance with GAAP, the Company believes that EBITDA may provide additional information with respect to the Company's performance or ability to meet its future debt service requirements, capital expenditures and working capital requirements. The Company computes EBITDA by excluding interest expense, net loss attributable to noncontrolling interests, depreciation and amortization and impairment of goodwill, long-lived assets and notes receivable, from income from continuing operations. The Company also presents Adjusted EBITDA which excludes affecting the comparability of the periods presented, including but not limited to, costs associated with acquisitions and capital related activities.

Net Operating Income (NOI) The Company believes that NOI is a useful measure of the Company's property operating performance. The Company defines NOI as property revenues (rental and other revenues) less property and related expenses (property operation and maintenance and real estate taxes). Because NOI excludes general and administrative expenses, depreciation and amortization, interest expense, interest income, provision for income taxes, gain or loss on sale or capital expenditures and leasing costs, it provides a performance measure, that when compared year over year, reflects the revenues and expenses directly associated with owning and operating commercial real estate properties and the impact to operations from trends in occupancy rates, rental rates and operating costs, providing perspective not immediately apparent from net income. The Company uses NOI to evaluate its operating performance since NOI allows the Company to evaluate the impact of factors, such as occupancy levels, lease structure, lease rates and tenant base, have on the Company's results, margins and returns. NOI should not be viewed as a measure of the Company's overall financial performance since it does not reflect general and administrative expenses, depreciation and amortization, impairment of goodwill, impairment of long-lived assets, involuntary conversion, interest expense, interest income, provision for income taxes, gain or loss on sale or disposition of assets, and the level of capital expenditures and leasing costs necessary to maintain the operating performance of the Company's properties. Other REITs may use different methodologies for calculating NOI, and accordingly, the Company's NOI may not be comparable to that of other REITs.